

**JOURNAL OF THE PROCEEDINGS
OF THE
BOARD OF COMMISSIONERS
OF COOK COUNTY**

**FEBRUARY 1, 2011
(9:00 A.M. Special Meeting)**



TONI PRECKWINKLE, PRESIDENT

WILLIAM M. BEAVERS
JERRY BUTLER
EARLEAN COLLINS
JOHN P. DALEY
JOHN A. FRITCHEY
BRIDGET GAINER
JESUS G. GARCIA
ELIZABETH "LIZ" DOODY GORMAN
GREGG GOSLIN

JOAN PATRICIA MURPHY
EDWIN REYES
TIMOTHY O. SCHNEIDER
PETER N. SILVESTRI
DEBORAH SIMS
ROBERT B. STEELE
LARRY SUFFREDIN
JEFFREY R. TOBOLSKI

**DAVID ORR
COUNTY CLERK**

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**JOURNAL OF THE PROCEEDINGS
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OF COOK COUNTY**

Meeting of Tuesday, February 1, 2011

9:00 A.M.

COOK COUNTY BOARD ROOM, COUNTY BUILDING

Board met pursuant to the following call:

Wednesday, January 26, 2011

The Honorable David Orr
Cook County Clerk
69 West Washington Street
Chicago, Illinois 60602

Dear Clerk Orr:

Pursuant to the authority vested in me, I hereby call a Special Meeting of the Board of Commissioners of Cook County to be convened on Tuesday, February 1, 2011, at the hour of 9:00 A.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois. At said meeting the Executive Budget for Fiscal Year 2011 will be presented to the Cook County Board of Commissioners.

Very truly yours,

TONI PRECKWINKLE, President
Cook County Board of Commissioners

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COPY OF LETTER SENT TO ALL COMMISSIONERS

January 27, 2011

Cook County Elected Officials
Department Heads and Financial Officers

Ladies and Gentlemen:

Toni Preckwinkle, President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Tuesday, February 1, 2011 at the hour of 9:00 A.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, for the presentation of the Message of the President to the Board of Cook County Commissioners submitting the Executive Budget for Fiscal Year 2011.

Very truly yours,

DAVID ORR, County Clerk

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This is to certify that a copy of the above notice was hand delivered and personally addressed to each Member of the Board of Cook County Commissioners at their home address and was deposited in the United States Mail on Thursday, January 27, 2011.

DAVID ORR, County Clerk

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The following Legal Notice appeared in the Chicago Sun-Times Newspaper on Saturday, January 29, 2011.

LEGAL NOTICE

Toni Preckwinkle, President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Tuesday, February 1, 2011 at the hour of 9:00 A.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, for the presentation of the Message of the President to the Board of Cook County Commissioners submitting the Executive Budget for Fiscal Year 2011.

Very truly yours,

DAVID ORR, County Clerk and
Clerk of the Board of the Commissioners of Cook County, Illinois

OFFICIAL RECORD

President Preckwinkle in the chair.

CALL TO ORDER

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At 9:00 A.M., being the hour appointed for the meeting, the President called the Board to order.

QUORUM

County Clerk David Orr called the roll of members and there was found to be a quorum present.

ROLL CALL

Present: President Preckwinkle and Commissioners Beavers, Butler, Daley, Fritchey, Gainer, Garcia, Gorman, Goslin, Murphy, Reyes, Schneider, Silvestri, Sims, Steele, Suffredin and Tobolski - 16.

Absent: Commissioner Collins - 1.

BUDGET MESSAGE OF THE PRESIDENT

to the

BOARD OF COMMISSIONERS FOR THE FISCAL YEAR 2011

Thank you very much. I would like to say a special word of thanks to all the County-wide elected officials who came together, starting back in November, to begin the challenge of filling a \$487 million deficit and preparing a balanced budget.

Thank you to the members of my administration, who have been working tirelessly for the last 2 months.

I am here today to present my FY2011 Budget to the Cook County Board of Commissioners and to once again reaffirm my commitment to working with them to restore fiscal responsibility within Cook County government.

In my inaugural address, I promised that I would measure my administration by four key tenets: fiscal responsibility, innovative leadership, transparency and accountability and improved services.

That is a commitment I am determined to keep, with your help. Today I present to you a budget measured by those same principles.

On Nov. 18, I called a meeting inviting the 11 County elected officials to begin discussion of the \$487 million deficit we faced. This deficit is greatly impacted by fixed costs, such as health insurance and workers compensation that require long-term structural changes. That challenge meant that each of us, as County-wide elected officials must find 16 percent in savings in our offices, and do so with a focus on the operating costs in the budget equation.

This document is the product of a team of professionals from across the county that includes my fellow elected officials, department administrators and employees.

This proposed budget represents the first steps of a restructuring of County finances and a long-term plan that will address the structural budget deficit and lay the groundwork for the rollback back of the county sales tax increase.

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It is through a commitment to this collaborative process that we have been able to make historic changes to this budget, all in the interest of building a sustainable financial future for the county government.

At our initial meetings, with our elected officials, I asked each of them to cut their operating budget by 16 percent. I knew this wasn't going to be easy.

However, I am pleased to tell you that, by working together, we successfully reached an average 15 percent reduction in operations supported by general funds and select special funds.

While these cuts are significant, they were done with consideration and compassion for the services we provide to our residents.

For example, the Public Defender effectively articulated the negative impact that a 16 percent cut would produce – that too many would be left without access to legal representation. We agreed that we could reach 10 percent. This same standard was offered to and met by the State's Attorney.

This was in part made possible by, the Cook County Health and Hospital System, under the leadership of Bill Foley, which was able to pledge a 21% cut in their subsidy. This is the result of expediting the implementation of their strategic plan.

This past weekend, my staff and I worked with Sheriff Tom Dart and his staff on a solution that would reduce his budget, but allow him the flexibility he needs to run the county jails and protect our residents. The Sheriff has agreed to cut his budget by 12 percent to contribute to our effort toward solving the budget challenge.

We are committed to working together to identify efficiency and cost saving initiatives throughout the criminal justice system.

Our two offices will begin a joint taskforce to address issues involving employee absences and the use of the Family and Medical Leave Act by county personnel. We will also look for ways to streamline County operations by pursuing shared service opportunities and working to eliminate layers of management.

These initiatives reflect our commitment to cutting spending without impacting the County's ability to carry out its mission of providing quality services to Cook County residents.

As I've said before – no one will be alone and no one will be absolved.

For that same reason, I was determined that the President's office should lead by example as we worked through this financial crisis.

In the Office of the President, we made a 17% cut to the overall operating budget. Within my own office, we cut staff by 30 percent. We reduced non-personnel costs by 51 percent. On top of that, I took a 10 percent pay cut.

However, this budget proposal isn't just about cutting operating budgets, it's also about instituting the structural changes that will increase efficiencies and promote fiscal responsibility throughout the County for years to come.

We targeted the historically most inefficient departments, like the Highways Department. We reviewed their budgets, the way they utilized personnel and the way they ran their offices and we made recommendations to improve the way each department was run. We asked our department administrators to identify inefficiencies and make short and long-term plans to remediate them.

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As we make cuts to wasteful government spending, we've worked to identify new, fiscally responsible revenue initiatives for the County. First, the County will more aggressively pursue late and unpaid taxes, in particular those businesses not paying County cigarette taxes.

Second, currently buyers in foreclosure sales pay fees to a private company to complete judicial asset sales. Now, the Sheriff will take a more prominent role providing this service and collecting the associated revenues.

Third, we have identified certain services such as those provided by the Law Library, where we will increase the fees to match the costs.

Lastly, some of the revenue projections reflect closing tax loopholes, such as charging the luxury tax to boxes at sporting events.

However, just pursuing the revenues that the County is owed, we can bring in roughly \$19 million in new funds in 2011.

In order to make investments to improve County operations, the County is restructuring its outstanding debt obligations to smooth its payments due. The net present value of this restructuring is approximately \$60 million.

It is not enough simply to cut Government; we have to rethink the way it works. Take for example the President's office, which exemplified the County's lack of budget controls. The President's office proper was allocated \$2.3 million. However, upon walking in the door, we quickly realized that they were actually spending at a rate of \$2.9 million. That means, in order to make our 17 percent cut, we had to cut \$1 million from our budget.

Moving forward, the budget controls we put in place will be non-negotiable. What is budgeted for certain office is what will be spent and it's our goal to have departments that come in under budget at the end of the year.

The planning process for future county budgets must include meaningful, objective performance measures. I'm taking the lead in this process to ensure that the county is accountable for the tax dollars that fund our budget and the functions we must provide for the public. Each county agency and department will be required to prepare a quarterly report in which it establishes measurable goals and articulates how it is meeting those goals.

Grants, fees, staffing levels, benefits, salaries and capital projects, these are important items that relate to our county's financial situation, both on the revenue and expenditure sides of the budget equation. We're setting up a new system in which these items will be reviewed on a regular basis so they can be assessed, monitored and incorporated into the budget.

You cannot manage without measuring first. This performance management effort is about improving services. Businesses and municipalities have implemented similar programs and have had great success with improving services to customers and residents.

In my inaugural address, I pledged that the FY 2011 budget will include a commitment to reduce the sales tax by 0.25% in FY 2012 and 0.25% in FY 2013.

I remain committed to that pledge and I am currently working with fellow Board members to introduce such an amendment to the FY2011 budget.

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But we must break the habits that got us here. We must build a new foundation to stabilize our finances.

Right now, we are already in the first quarter of fiscal year 2011 and we just now proposing a budget. When I took office, there was no working budget. No draft of a financial plan. As I've said before, this is a bad practice. That's why, as soon as we pass the FY2011 Budget, we will begin to work on next year's. In previous years, the budget was developed over a period of six months. It's a time consuming process and it will take many months to overhaul the budget process and build it in a way that incorporates the new initiatives that we have developed.

A critical component of this is performance based management and budgeting which aims to add transparency, accountability and fiscally responsible practices to the budget process. It involves a process that all county elected officials, agencies, bureaus and departments must complete each year. The process requires that each county agency and department prepare a quarterly report in which it defines its mission and establishes measurable goals for achieving desirable results for those who benefit from its services, foremost the taxpayers who fund those services. These metrics will be used to measure progress. Businesses and municipalities alike have implemented similar programs and have had great success with improving services to their clients.

Cook County has long been in a need of a comprehensive desk audit. We have employees who lack job titles or have job titles that do not match their job description. In some cases, employees do not even have formal job descriptions. Our administrators can't determine redundancies or how to best utilize their resources without this very basic information.

We have engaged a pro-bono consultant to begin working on a comprehensive desk audit of the 2,000 employees under the President's purview and we hope to expand this effort across the county. The report that is generated by this project will give us the ability to right-size the organization, specifically in terms of the ratio of managers to employees, and we're starting in the President's Office. This critical initiative will be completed within my first 100 days in office.

Already, the Treasurer has also announced a desk audit and we are hopeful that others will soon follow.

The County spends many tens of millions of dollars on purchasing and procurement. In the 2011 budget, we estimate we can save \$12 million by using contingency contracting, improving the way our organization is designed and the process by which we purchase materials and services while embracing our commitment to partnering with minority and women-owned vendors.

We're making county government leaner and meaner by increasing efficiency, cross training to make give our personnel a more diverse skill set and asking our employees to do more. We're going to refocus on the county's core mission and the services we provide to residents and then build on the foundation of County government.

These are the steps we must take and follow through on if we are going to change the culture of County government.

I want a County that promotes opportunity and innovation and demands responsibility and accountability. On www.CookCountyIL.gov we have posted the full budget, a budget summary, and the schedule of our upcoming budget hearings.

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To the Board of Commissioners, let me further say that I want to work with all of you on this. I realize this is a challenging issue. But we must address it. We cannot continue this spending without control; managing without measure. We can do better. And I will work to do better.

Thank you.

TONI PRECKWINKLE, President

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The Message of the President to the Board of Cook County Commissioners was given by President Preckwinkle.

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President Preckwinkle then submitted the Executive Budget to the Board of Commissioners for the Fiscal Year 2011, for referral to the Committee on Finance.

Commissioner Daley, seconded by Commissioner Sims, moved that the President's Executive Budget be referred to the Committee on Finance. **The motion carried unanimously.**

ADJOURNMENT

Commissioner Daley, seconded by Commissioner Silvestri, moved that the Special Meeting do now adjourn.

The motion prevailed and the Special Meeting stood adjourned.

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The next regular County Board Meeting is scheduled by law, for Tuesday, February 1, 2011.

County Clerk